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C O N F I D E N T I A L SECTION 01 OF 02 TBILISI 002105

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SUBJECT: GEORGIA: UPCOMING LOCAL ELECTIONS REVEAL SIGNS OF

GROWING UNM FISSURES

REF: A. TBILISI 2028

1B. TBILISI 0165

Classified By: Deputy Chief of Mission Kent D. Logsdon for reasons 1.4 (b) and (d).

11. (C) Summary/Comment: The ruling United National Movement (UNM) has maintained its hold on political power in no small part due to its party discipline (ref B). Although it is premature to declare any sort of lame duck status or impending breakup of the UNM, it has become increasingly obvious that certain players within the UNM are increasingly thinking about political life "post-Misha" when President Saakashvili steps down in 2013. Never the monolith that its critics portray it to be, the UNM is starting to show that there are various factions within the party who have competing agendas as it looks toward upcoming mayoral elections on the horizon. The Tbilisi mayoral race is viewed by some as a proxy for the 2013 race for President with the winner likely to grab early front-runner status. Many in the UNM appear to be wary of the implications for the party and their own careers if likely UNM candidate and current Tbilisi mayor Gigi Ugulava wins a resounding victory in May 2010 and becomes the favorite candidate to succeed Misha. End Summary/Comment.

Saakashvili Without Heirs - UNM's Conundrum

(C) Almost by default, current Tbilisi mayor Gigi Ugulava has found himself in the most advantageous position to inherit the political reins of the UNM. Although Ugulava appears to be the early front runner; he faces significant hurdles within the UNM to consolidate his position. A lack of any clear signal from Saakashvili as to whom he favors as his successor has muddled the political situation within the UNM. Neither of Saakashvili's closest two allies/advisors, Minister of Internal Affairs Vano Merabishvili and Minister of Justice Zurab Adeishvili, have any apparent post-Saakashvili political plans. Nevertheless, an upwardly mobile Ugulava bolstered by potential electoral success threatens to lessen both of their influence internally. both Merabishvili and Adeishvili, who are committed to preserving the Saakashvili administration (and their positions of influence) rather than advancing the interests of the UNM, any independent actor within the UNM would be an unwelcome development - separate and apart from the fact that both are rumored to have an intense dislike for Ugulava and likely do not want him to succeed . No other figure expected to remain politically active after Saakashvili leaves office, such as Speaker Bakradze, Minister of Culture Rurua, Deputy Foreign Minister Bokeria, or Vice Speaker Mikheil Machavariani, has independently garnered any sort of critical mass of rank and file UNM support.

Another UNM Conundrum

 $\underline{\ }$ 3. (C) In spite of tough Saakashvili talk about giving the opposition a chance to win "control" of the capital, the UNM

clearly does not want to lose Tbilisi where the majority of economic activity in Georgia takes place. Losing Tbilisi to the opposition would likely mean that party funding, both obtained openly and transparently  $\operatorname{ad/or}$  obtained through dubious methods of leaning on business, would almost assuredly become more challenging. Losing its effective monopoly on political donations would weaken UNM, Saakashvili, and embolden the opposition. Conversely, a clear Ugulava victory would make him the obvious front runner for the presidency in 2013 and allow him to shed some of Saakashvili's coattails. As Tbilisi mayor, Ugulava would QSaakashvili's coattails. As Tbilisi mayor, Ugulava would have the platform, resources, and incentive to start to pursue his own political course and ambitions, separate and apart from the priorities of the UNM inner circle. In short, an independent Ugulava pursuing his personal political agenda after a significant electoral mandate potentially creates as many problems for the ruling party as opposition control over Tbilisi's mayoral office. Either scenario is unpalatable for the UNM inner circle as well as potential rivals to Ugulava as UNM's successor to Saakashvili.

## Again, the Threshold Issue

14. (C) The question of a threshold was of the utmost importance to the Alasania-led Alliance in order to try to force a second round of elections (ref A). Alasania's hope is that opposition-leaning Tbilisi would consolidate behind him in a second round against Ugulava, allowing him to win the mayor's race due to the binary electoral environment a runoff creates. Despite the fact that Tbilisi tends to lean towards the opposition politically, the vote is likely to be fractured among a plethora of minor candidates which will

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make it difficult for any opposition candidate to win a first round plurality over a UNM candidate. Therefore, the UNM opposed having any threshold ceiling that would likely force a second round. Nevertheless, speculation has focused on another reason the UNM did not support a higher threshold. If the threshold were higher, and Ugulava (or another UNM candidate) were to win, a 40 percent or higher threshold would assure that Ugulava would significantly overshadow President Saakashvili's numbers of roughly 32-33 percent of the Tbilisi vote in the 2008 Presidential elections. Such a victory could be viewed as significant enough to thrust Ugulava into the role of leading candidate for 2013 and perhaps increase his ability and desire to operate independently from the UNM core. Thus far, however, Ugalava has shown no inclination to break with the President or the UNM inner circle.

## Status Quo Appears to be the Answer

What appears to be the best scenario for both Saakashvili and his inner circle, as well as other potential successors to head a post-Misha UNM, is to maintain a form of the status quo. In this scenario, an Ugulava victory in the first round by virtue of winning a modest plurality of the vote (the lower the percentage the better) would seem to be the best possible outcome. This particular outcome would limit Ugulava's room to maneuver independently of the UNM inner circle, and reinforce the view that Ugulava owes his political fortunes solely to Saakashvili's personal support. An unclear picture as to the likely successor to Saakashvili as head of the UNM is acceptable to both those who have political careers and ambitions beyond Saakashvili's presidency and the insiders who do not. Very few if any of the major UNM players have any interest in lining up behind Ugulava or having Ugulava's current stature within the UNM increased in any way three years in advance of scheduled presidential elections. The obvious downside is that a modest Ugulava victory and lack of a popular mandate does little to advance political pluralism or the political legitimacy of the office. Such an outcome will likely strengthen the voices of the radicals among the

non-parliamentary opposition who will point to the result, regardless of its propriety, as another example of the failure of dialogue and compromise to achieve any concrete results.

## Ugulava - A Man Alone?

- (C) Ugulava, who was originally appointed to serve as Tbilisi mayor by President Saakashvili in July 2005, and regained the post when he was elected by the Tbilisi City Council in October 2006, has not been known as a charismatic politician. Ugulava is sometimes criticized as being a Saakashvili puppet and has done little to distance himself from this public perception. Nevertheless, Ugulava remains a leading candidate whose poll numbers (nearing 50 percent according to recent internal UNM polling and 31 percent according to recent Alliance polling) indicate that he has benefited personally from the significant improvements in infrastructure and quality of living that have occurred in Tbilisi during his tenure. During severe weather in June 2009, Tbilisians were astounded to find that the emergency service hotline functioned and that repair crews were dispatched to problem areas around the city. In November, Ugalava sent questionnaires out to families throughout the city, asking for their thoughts about how city services could Qcity, asking for their thoughts about how city services could be improved. As a result, many give Ugalava high marks for his leadership of the city.
- ¶7. (C) Despite being the sitting mayor with solid poll numbers, Ugalava has not yet been officially announced as UNM's candidate for mayor and rumors that current Vice-Speaker and multi-millionaire MP Rusudan Kervalishvili might run for mayor are common. Despite these rumors, Ugulava will likely be the UNM candidate and certainly is acting like one as he campaigns around the city, holding public meetings and presiding over ribbon cuttings and openings. The fact that such rumors exist suggest that many in UNM have strong doubts about suporting his candidacy and tend to highlight the fact that currently Ugulava has little apparent rank and file support within the UNM itself. BASS